



Appropriations Committee

March 25, 2022

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members representing 168 towns and cities.

SB 398 An Act Concerning Accountability For The Expenditure Of Funds Received By The State

The bill would, among other things, require towns and cities to (1) report funding allocations made through the American Rescue Plan Act (ARPA) to OPM, (2) to submit a request and receive approval prior to expending ARPA funds greater than \$100,000, and (3) make several requirements regarding other federal program allocations. In addition, the bill would create a Task Force to study the use of opioid litigation settlement funds to address addiction and the overdose epidemic in impacted communities.

CCM has concerns with the proposal as it would run contrary to federal law, specifically that ARPA indicates that States may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on towns and cities. The Department of Treasury clearly regulates the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) under ARPA for states and municipalities throughout the country. The provisions in SB 398 may (a) inhibit timely economic recovery projects from being allocated under ARPA, (b) impose administrative burdens through additional reporting, and (c) be contrary to federal law which may result in the federal government penalizing the state for their actions.

In addition, the committee would establish a task force to study the use of opioid litigation settlement funds to address addiction and the overdose epidemic in impacted communities. In accordance with the settlement agreement, an advisory committee needs to be convened to develop strategies and allocate the opioid settlement funds. In particular, the advisory committee needs to be equally comprised of state and municipal officials to develop recommendations for the allocation of these funds. While this Task Force does not appear to be contrary to the settlement, if enacted it may create confusion and impose barriers towards appropriately allocating these funds in accordance with the settlement and therefore possibly inhibit funding from being received.

We encourage the Committee to **take no action** regarding SB 398.

If you have any questions, please contact Brian O'Connor, Randy Collins, or Mike Muszynski of CCM.